

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Energy Department - Purchase of solar power by DISCOMs Policy- orders – Issued.

ENERGY (RES-A1) DEPARTMENT

G.O.Ms. No. 46

Dt.27-11-2012.

Read the following.

1. G.O.Ms. No. 39, Energy (RES-A1) Department,
Dt. 26-09-2012.
2. G.O. Rt. No.1663, G.A (Cabinet) Deptt, dt 16-04-2012.

ORDER:

State Government have issued policy guidelines vide G.O 1st read above for production of Solar Power by Private developers for captive use and sale to third party within the state and also for sale of Solar Power to DISCOMs at pooled cost. However, there was no provision for sale of solar power to DISCOMs at regulated price.

2. Group of Ministers was constituted vide G.O 2nd read above to suggest ways to encourage the generation of Power through non- Conventional sources including Solar in view of the prevailing power deficit in the State. Group of Ministers after detailed deliberations has recommended various actions and one of the recommendations regarding encouraging generation of solar power is purchase of solar power by APDISCOMs from the developers at a price to be determined through a process of competitive bidding. Group of Ministers also recommended that State should plan for setting up of 2000 MW of solar power plants under this route with a condition that 1000 MW plants will be set up before June, 2013. DISCOMs would list out industries who are willing to purchase solar power at the rate decided through the process of competitive bidding. However, incase all the procured solar power is not utilized by the willing industries, the State Government would bear the financial burden arising out of purchase of such solar power.

3. Government after careful examination of the recommendations of the Group of Ministers order as follows:

- (i) DISCOMs will ensure that 1,000 MW of Solar Power Plants is set up before June,2013.
- (ii) DISCOMs shall select Solar Power developers through the process of competitive bidding.
- (iii) DISCOMs should include the cost of Solar Power in their filing with APERC. To the extent not covered by tariff the extra cost to be recovered through sale to the industries at the rate at which it is procured.
- (iv) DISCOMs will prepare the list of industries willing to purchase such solar power at the rate arrived through process of competitive bidding. State Government will finance the differential cost over and above the rate fixed by APERC (or pooled cost till the rate is decided by APERC) for the purchase of solar power by DISCOMs over and above power not purchased by the Industries.

Cntd. P.2

4. CMD, APTRANSCO will conduct bidding process duly notifying 132/33/11 KV sub-station near which developers can develop their solar power unit to facilitate easy evacuation. Solar developers would be required to offer their bids and quantum of power proposed to be sold to the DISCOMs at the notified locations.
5. CMD, APTRANSCO will develop bidding document for selection of developers through the process of competitive bidding. The bidding document should contain provision to check non-serious bidding or frivolous bids. The bidding time should be appropriately decided to ensure wider participation and there shall be a pre-bid conference to hear the points or difficulties of potential bidders for addressing them in a suitable manner before final bid is received.
6. Chairman, APPCC, CMD, APTRANSCO are requested to take necessary action accordingly.
7. This issues with the concurrence of Finance Department vide their U.O.No 213/PF.I/2012: dt. 24-11-2012.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

MRUTUNJAY SAHOO
PRINCIPAL SECRETARY TO GOVERNMENT

To

The C&MD AP TRANSCO, Hyderabad.
The C&MD of All DISCOMs
The VC&MD, NREDCAP.
The MD. AP GENCO
The Secretary to APERC
The PFS/ PFS(IF)/PFS(R& E)

Copy to:

P.S to Secretary to Hon'ble C.M.
P.S to Hon'ble Minister for Finance.
P.S to Principal Secretary to Government, Energy.
P.A to Special Secretary to Government, Energy.
S.F/SC (C.No.4244/RES-A1/2012)

// FORWARDED: BY ORDER//

SECTION OFFICER